

C. INCOME**Income Eligibility**

1. To be eligible for MNRW without spenddown, a client's countable income must be no more than their cost of care. The cost of care is the department contracted residential facility rate X 30.42 days per month.
 2. If the client's countable income is more than the cost of their care, then the client will need to meet a spenddown **before they can be authorized for services or placed on the wait list.**
 3. Because we are not using the Spousal Impoverishment Rules for married clients, use the "Name on the Check" rule described in [WAC 388-513-1330](#) (2).
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Countable Income

Countable income for the MNRW program is the income available after:

1. Excluding income described in Long Term Care - [G. - Excluded Income](#) - WAC 388-513-1340;
 2. Applying the Medically Needy disregards that are described in Long Term Care - [G. - Excluded Income](#) - WAC 388-513-1345; and
 3. Deducting monthly health insurance premiums except Medicare.
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Excluded Income

Exclude the income sources identified in Long Term Care - [G. - Excluded Income](#) - WAC 388-513-1340. **Do not** count excluded income when determining eligibility **or** the client's responsibility towards cost of care.

Medically Needy Income Disregards

Allow the Medically Needy income disregards found in Long Term Care - [G. - Excluded Income](#) - WAC 388-513-1345.

1. **\$20 General Disregard:** This disregard is used to reduce earned unearned income first, then earned income.
 2. **\$65 ½ Earned Income Disregard from the earned income:**
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- a. Clients with earned income can receive this disregard. This disregard is applied against the earned income, only. Do not use any unearned income when calculating this disregard.
 - b. The Earned Income disregard is calculated as follows:
Using the client's **gross** income, first subtract \$65. Next, divide the difference in $\frac{1}{2}$. Add \$65 to the result. The sum is the disregard.
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Monthly Health Insurance Premiums

1. Allow monthly health insurance premiums both in the financial eligibility determination process **and** the client responsibility calculation.
2. For MNRW clients who pay health insurance premiums that are not monthly, such as bi-monthly, quarterly, semi-annually, or annually:
 - a. In the **Countable Income** Calculation:
Determine the portion of the premium that represents the amount for 1 month and use that in your calculation of countable income.

EXAMPLE

Client has a quarterly health insurance premium of \$300. Since a quarterly premium represents a total of 3 months, then $\frac{1}{3}$ of that would be for 1 month. Therefore, \$100 represents the amount for 1 month.

To determine if the client is income eligible, we would deduct \$100 from the total of the net unearned income and net earned income (amount after applying exclusions and disregards). The remainder is Countable Income.

- b. In the **Client's Responsibility Toward Cost of Care** Calculation:
 - i. The client can choose to prorate their health insurance premium and allow a "monthly" premium.
 - ii. **However**, before prorating premiums ensure that the client understands he or she is being allowed the deduction monthly rather than when the premium is due and the client is still responsible to pay the entire premium when billed.

- iii. In addition, it is important to ensure clients understand that if their resources go over the standard because they are not spending the premiums as we are allowing them, then they will be ineligible and possibly terminated from services.
- iv. If clients are not able to handle “saving” the prorated amount each month to pay when billed, then **do not** prorate the premiums and allow the premiums as deductions in the month they are paid.

Initial Income Eligibility Examples**EXAMPLE 1**

A client has gross available, non-excluded unearned income of \$2000.00. The client does not have a health insurance premium. The client's residential facility daily rate is \$68.52.

Step 1: Determine Countable Income

Allow the General Disregard

\$2,000.00 Income

- \$20.00 General Disregard

\$1,980.00 Countable Income

Step 2: Determine Cost of Care

\$68.52 Daily Rate

X 30.42

\$ 2,084.37 Cost of Care at Residential Facility

Because the client's countable income of \$1980.00 is below the Cost of Care calculation of \$2084.37, this client is income eligible for the MNRW program.

EXAMPLE 2

A client has gross available, non-excluded unearned income of \$2,200.00. In addition, the client has private health insurance with a \$150.00 per month premium. The daily rate at the anticipated residential facility is \$68.52.

Step 1: Determine Countable Income

Allow the General Disregard

\$2,200.00 Income

- 20.00 General Disregard
\$2,180.00

Allow the monthly Health Insurance Premium
\$2,180.00
- 150.00 Monthly Health Insurance Premium
\$2,030.00 Countable Income

Step 2: Calculate the Cost of Care

\$68.52 Daily Rate
X 30.42
\$2084.37 Cost of Care at Residential Facility

Because the client's countable income of \$2030 is below the Cost of Care calculation of \$2084.37, this client is income eligible for the MNRW program.

EXAMPLE 3

A client receives the following income gross income:

\$1250 Social Security
\$ 800 Pension
\$ 150 VA Aid & Attendance

The daily rate at the anticipated residential facility is \$69.90.

Step 1: Determine Countable Income:

A. Exclude the VA Aid & Attendance

The VA Aid & Attendance is excluded income per [WAC 388-513-1340](#) . Do not count the Aid & Attendance in the calculation.

B. Add together the Social Security and Pension income.

\$1,250.00
+ 800.00
\$ 2,050.00 Income

C. Allow the General Disregard:

\$2,050.00 Income

- \$20.00 General Disregard
\$2,030.00 Countable Income

Step 2: Determine Cost of Care:

\$ 69.90 Daily Rate
X 30.42
\$2,126.35 Cost of Care at Residential Facility

Because the countable income of \$2030 is less than the cost of care of \$2,126.35, the client is income eligible for the MNRW program.

EXAMPLE 4

A client has gross available, non-excluded unearned income of \$2,000.00. The daily rate and the anticipated residential facility is \$51.52.

Step 1: Determine Countable Income

Allow the General Disregard
\$2,000.00 Income
- \$ 20.00 General Disregard
\$ 1,980.00 Countable Income

Step 2: Determine the Cost of Care

\$ 51.52 Daily Rate
X 30.42
\$1567.23 Cost of Care

Because the client's countable income exceeds the cost of care, the client must meet a spenddown **before** authorizing MNRW services or being placed on the waiting list.

Step 3: Calculating Spenddown

For MNRW, the spenddown for 1 month is the difference between the countable income and the monthly cost of care. Calculate the spenddown for each month of the base period. Add together the spenddown for all months in the base period.

This total is the total spenddown for this base period.

ELIGIBILITY A-Z**Medically Needy Residential Waiver Program**

Assuming there are no expected changes in the client's income or cost of care during the base period:

\$1980.00 Countable Income

- 1567.23 Cost of Care

\$ 412.77 Spenddown for 1 month

X 3 Months

\$1238.31 Spenddown for 3-month Base Period

or

\$ 412.77 Spenddown for 1 month

X 6 Months

\$2476.62 Spenddown for 6-month Base Period